



Report to the Legislature

Blended Funding Report

Chapter 219, Laws of 2000, Section 2

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Legislative Report on Blended Funding Projects

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Blended Funding Projects

Executive Summary

Chapter 219, Laws of 2000, Section 2, as codified in RCW 74.14.A.060, requires the Department of Social and Health Services (DSHS) to report annually to the legislature on the progress in blending funds to provide enhanced services to children and their families with multiple needs. This report is the fourth in a series of reports to the legislature on the development and implementation of blended funding projects.

Blended funding involves the co-mingling of funds into a single pool from which services can be funded. This report addresses the formal blended funding projects for children and families in which Children's Administration has participated, as well as other innovative funding approaches to integrate services.

The only blended funding project in which Children's Administration has participated in the last year is the King County Blended Funding Project. This project has recently ceased providing services.

There are numerous barriers to blending funds across categorical programs. These barriers have been noted in previous reports and include the frequent need for formal waivers of federal requirements, defined eligibility for specific programs, varying interpretations of the amount of flexibility available, and onerous evaluation requirements when flexibility is granted.

For these reasons, few department dollars are available to blend with other service funding. The department, in the interest of better coordination of service, is undertaking initiatives that encourage "braiding" of funds and integration of services. Braided funds retain their funding streams, tracking requirements and specific eligibility for services, but are offered as part of a coordinated package of services to shared clients. This report describes a few of the department's numerous efforts to improve coordination of services with braided or other innovative funding.

Department of Social and Health Services Legislative Report on Blended Funding Projects

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INTRODUCTION

In accordance with the requirement of Chapter 219, Laws of 2000, Section 2, this document has been prepared to report the involvement of the Department of Social and Health Services (DSHS) in programs that blend funds to provide enhanced services to children and their families with multiple needs.

KING COUNTY BLENDED FUNDING PROJECT

For more than the past year, the DSHS Children's Administration has been involved with only one blended funding project; the King County Blended Funding Project. The project began eight years ago in King County to serve high-needs, high-cost children. Families in the program had children needing multiple services from several social service systems, such as mental health, child welfare and special needs education. The goal was to stabilize children, prevent placement disruption and enable children to reside either at home or in the least restrictive setting possible.

The Blended Funding Project evolved over time. Initially, several service systems provided funds which could be used flexibly. In recent years, the other systems began to contribute services rather than flexible funding. One of the most important factors in this change was the need for the other systems to provide resources to the children served by the project in a manner which could be recognized and approved by the categorical (often federal) funding source. This resulted in a situation where Children's Administration supplied the funding while other partners provided services.

Because of the nature of the managed care structure, Children's Administration did not have a good understanding of how the money was spent. While children eventually became stable enough to do well with less intensive services, there was no provision in the contract to reduce payments for children who no longer needed a high level of care.

Prior to the recent statewide expenditure controls, Children's Administration staff in Region 4 had been meeting with the directors of the project over the past year and a half to discuss changes in the project, explaining that it was not fiscally prudent to continue the payment levels and payment for some types of services being provided for the children and families in the project. When Children's Administration proposed reducing the amount spent for some of the children who

no longer needed such a high level of care, the project team and regional staff could not come to an agreement. The project leadership decided it was no longer feasible to operate and ceased providing services to children and families.

The primary function of the Blended Funding Project was to provide case management services and to coordinate the provision of other existing services to the children and caregivers in the project. Since the project had evolved into a program funded by the department with other entities providing services, the case management function and existing services for clients could be provided directly by the department in a more cost-effective manner.

Essentially, Children's Administration's social workers will be providing the same case management and service coordination functions formerly provided by the project. Core evidence-based features, such as family team meetings, will continue to be provided. It is intended that no essential services to the children served by the project will be significantly affected by this change.

BARRIERS TO BLENDED FUNDING

There are numerous barriers to blending funds across categorical programs. In previous reports, the department outlined several elements that prevent the blending of service dollars. These barriers continue to be relevant.

- Blending of federal dollars requires formal waivers, when allowed, from federal statutes and regulations.
- Restrictions on state funds through budget provisos or limiting statutes often prevent the department from combining funds to provide more flexible services.
- Eligibility for receipt of funds is restricted. Categorical or earmarked funds must be tracked, cannot be co-mingled, and must serve a specific designated population.
- Community partner agencies interpret their ability to be flexible differently. Some are not willing to release control of their dollars. Also, non-profit and for profit providers are restricted by the grantors of their funds.
- Federal waivers do allow for more flexible use of funding but often require an onerous "experimental" approach which can increase complexity and cost.

INNOVATIVE FUNDING APPROACHES TO SUPPORT COLLABORATIVE SERVICE DELIVERY

Blended funding involves the co-mingling of funds into a single source from which case managers can draw service dollars. As noted previously, few department dollars are available to blend with other service dollars. The department, in the interest of better coordination of service between service providers, is undertaking initiatives that encourage “braiding” of funds and integration of services. Braided funds retain their funding streams, tracking requirements and specific eligibility for services, but are offered as part of a coordinated package of services to shared clients.

DSHS Integration Initiative

The DSHS Integration Initiative is founded upon the acknowledgment that fragmentation is an integral fact of American human services. Multiple kinds and levels of organization – charitable, religious, private, and governmental – are organized to provide assistance to people who are in need and their families and friends are unable to provide, and who cannot afford to pay for private services.

In this era of decreasing government funding and increasing service need, human service providers are ever more aware of the need to collaborate – to make it easier and more cost-effective to help people with multiple problems, and to leverage limited human service funding as far as possible.

Integration is working together to strengthen families, neighborhoods & communities and establishing partnerships that welcome and support individual and family participation in family outcomes.

The Families and Communities Together (FACT) initiative is designed to explore the impact of community driven, family centered, preventative integrated human service strategies on the health and well-being of families and communities. FACT links state and local human service organizations in an ongoing, long-term process of service integration. FACT differs from most other Washington State service integration projects in that it focuses on screening and early intervention, as well as coordinating services and multi-service team case planning.

However this work takes shape, it’s important to remember that it’s not about cutting budgets, shifting state responsibilities to counties or diminishing local decision-making. It’s about sharing resources and responsibilities, for the benefit of clients and communities.

Key elements of the Integration Initiative are:

- **Family Centered Planning:** Services are not provided to the family or for the family. Decisions are made with the family
- **Screening Tool:** A multiple-needs screening instrument to identify services needs for families
- **Co-Location:** Agencies and partners located in the same location to enable one-stop services
- **Coordinated Case Planning:** Client service plans are succinctly prioritized and do not conflict with competing service plan demands
- **Family Service Plan:** Coordinates among service providers the priority of services and responsibilities of family and staff
- **Multi-Service Teams:** A team of professionals formed to assist families to meet their needs
- **Cross-Training:** Agencies cross train partner agency staff to ensure familiarity with roles and services provided within a community
- **Flexible Funding:** Partners agree to bring flexible resources to the family to accomplish service plan goals

There are currently two FACT sites in Washington: one in Whatcom County and the other in Spokane County. Phased implementation of these projects began in February 2004. More information about the sites is contained in the table below:

| Whatcom County | Spokane County |
|--|---|
| Community – Based | Community Center - Based |
| Access Points: <ul style="list-style-type: none"> ▪ Kendall – Elementary School in rural area ▪ Blaine – Family Service Center operated by Blaine Schools ▪ Opportunity Council – Local Non-profit in community | <ul style="list-style-type: none"> ▪ Family self-sufficiency teams collaborate in the development of a family service plan. ▪ Co-locate services in the Northeast Community Service Center. ▪ Clients referred to services based on assessment using screening tool. |
| Target Population – Any Client Requesting or Referred for Services | Target Population – Families Referred as “At-Risk” for Child Abuse and Neglect |
| Partners – <ul style="list-style-type: none"> ▪ Whatcom County Housing Authority ▪ Whatcom County Health Department ▪ Mental Health Providers ▪ Drug & Alcohol Services ▪ Brigid Collins ▪ Whatcom County Juvenile Courts | Services at the Northeast Community Center include: <ul style="list-style-type: none"> ▪ Medical, Dental and Vision Clinics; ▪ A Senior Center; ▪ Northeast Youth Center, Children’s Home Society; ▪ Regional Support Network Provider; ▪ Food Bank, Energy Assistance; Community Action Services; and ▪ A Public Library |

Both FACT Communities ultimately want their innovations to affect the following community outcomes:

- Reduce the prevalence of child abuse and neglect;
- Improve family functioning;
- Improve school performance; and
- Increase the employability and wages of family adults.

Making Connections Initiative: White Center & Boulevard Park

In King County, a full-scale community transformation project is taking place in the White Center/Boulevard Park area with help from the Annie E. Casey Foundation's "Making Connections" partnership. Making Connections is an initiative of the Annie E. Casey Foundation. The department and a host of government, educational institutions, business, non-profit and community based organizations are working in collaboration to help empower community citizens in the creation of programs that result in "Healthier Children, Healthier Families and Healthier Communities" in the White Center and Boulevard Park (WC/BP) neighborhoods. These communities are home to about 32,000 residents with a rich and diverse cultural heritage. Immigrant and refugees make up a significant and growing percentage of the WC/BP population. Most low-income families in WC/BP are working, but do not make enough to provide for their families. They struggle to house, feed, and support their families; pay for child care and health care; and cover transportation costs. Challenges include a lack of connections to family supporting jobs, a lack of education and training, limited English proficiency, and difficulty accessing employment, training and support services.

Other Programs using Braided or Innovative Funding

There are many other collaborative efforts within THE DEPARTMENT that utilize braided or other innovative funding strategies. The DSHS Internet Website has information on many of these efforts. The address for this information is:

<http://www1.dshs.wa.gov/WorkingTogether/index.html>

CONCLUSION

The department continues to look for opportunities to blend discretionary funds. Federal and state statutory barriers, however, continue to prohibit blending funds for the majority of the resources the department receives, especially federal funds.

In an effort to improve services to clients, the department continues to pursue better coordination of services and seamless service delivery systems even though full blended funding may not be achieved. An ever increasing array of programs

provides collaborative services to children and their families. The focus is on making service delivery easier, more seamless, from the client's perspective while finding efficient ways to meet the constraints and reporting requirements of multiple funding streams.